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COMMONWEALTH OF VIRGINIA

STATE CORPORATION COMMISSION

AT RICHMOND, JUNE 10, 2002

APPLICATION OF

VERIZON VIRGINIA INC.

CASE NO. PUC-2002-00014

For a change of classification of intraLATA toll service under Plan for Alternative Regulation

ORDER APPROVING RECLASSIFICATIONS AND EXTENDING FOR FURTHER COMMENT

On February 1, 2002, Verizon Virginia Inc. ("Verizon Virginia" or "Company") filed tariffs with the State Corporation Commission ("Commission") proposing the reclassification of certain intraLATA toll services as "Competitive" under Subsection D of its Plan for Alternative Regulation ("Plan"). The Company noted in the cover letter accompanying the tariff filing that "competition from a multitude of carriers in today's long distance marketplace is clearly and irreversibly an effective regulator of the price" of its long-distance service. Accordingly, Verizon Virginia maintains that the service meets the test under its Plan for reclassification. The Company provided notice of its proposal to the Office of the Attorney General ("Attorney General") and all other certificated interexchange and local exchange telecommunications companies in the Commonwealth.

By Order entered February 22, 2002, we directed the Company to publish notice of its application and established a period for receipt of comments or requests for hearing. No requests for hearing have been filed. Comments were filed by AT&T Communications of Virginia ("AT&T") and Cox Virginia Telcom, Inc. ("Cox"). By Order dated May 2, 2002, we permitted Verizon Virginia to file a response to the filed comments. The Company made its response on May 15, 2002.

NOW THE COMMISSION, having considered the pleadings, is of the opinion and finds that the requested reclassifications should be granted and that this matter should be continued for further orders.

All changes proposed in the tariff filing made by Verizon Virginia on February 1, 2002, should be approved, effective as of July 1, 2002. The Commission is satisfied from the record that competition or the threat of competition sufficiently regulates the prices of the services proposed for change in classification to "Competitive." The Company is directed to work closely with the Division of Communications to identify any clerical errors in the proposed tariffs, which may be administratively corrected.

Verizon Virginia's May 15, 2002, response shows that it seeks also to reclassify its Business Link Rewards Plan (tariff 215, § 8) and its Special Billing Number Service (tariff 209,

§ 5C) to "Competitive." The Company is directed forthwith to submit appropriately revised tariff pages presenting these additional reclassifications to the Commission Staff, Cox, AT&T, and the Attorney General. These parties may offer any comment regarding these proposed additional reclassifications on or before July 1, 2002. The Commission will continue this matter further to permit receipt of any comment regarding these proposed additions to the filing.

Accordingly, IT IS ORDERED THAT:

- (1) The proposed reclassifications of intraLATA toll services are APPROVED as set out above. For any rate increases to these reclassified services, Verizon Virginia shall abide by the customer notification requirements set out in the Commission's Rules Governing the Certification of Interexchange Carriers at 20 VAC 5-411-80.
- (2) Comments responsive to the proposed reclassification of Business Link Rewards Plan (tariff 215, § 8) and Special Billing Number Service (tariff 209, § 5C) shall be filed, in original and 15 copies, no later than July 1, 2002, with the Clerk of the Commission, P.O. Box 2118, Richmond, Virginia 23219, making reference to Case No. PUC-2002-00014.
- (3) This matter is continued for further orders of the Commission, and the time period in subsection D.1.d of the Plan

is hereby extended for consideration of the additional reclassifications set out above.